

**WELCOME TO THE
FREEPORT-McMORAN CONDITIONAL
USE PERMIT
EIR SCOPING MEETING
(Oil field expansion in Price Canyon)**

Presented by the
County of San Luis Obispo Department
of Planning and Building
February 19, 2014



Scoping Meeting

Freeport-McMoRan (formerly PXP)

Conditional Use Permit; DRC2012-00035

❖ Today's Agenda

- Introduction (Steve McMasters, Planning Dept. Supervisor)
- Opening Remarks (Hannah Miller, Legislative Assistant to Supervisor Adam Hill, District #3)
- County Process & Project Overview (John McKenzie, Project Manager)
- Public Comment Period
- Conclude



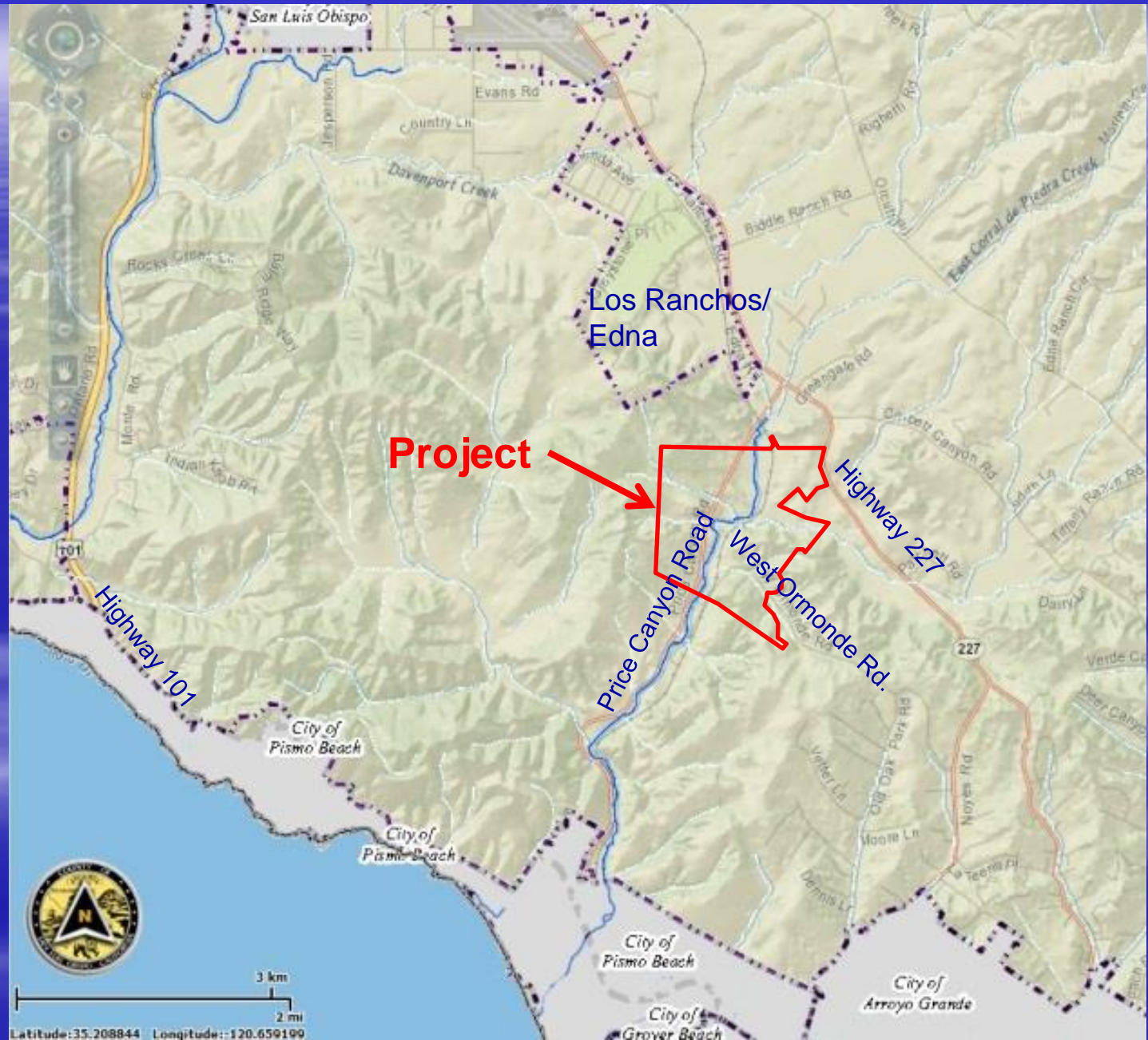
Scoping Meeting

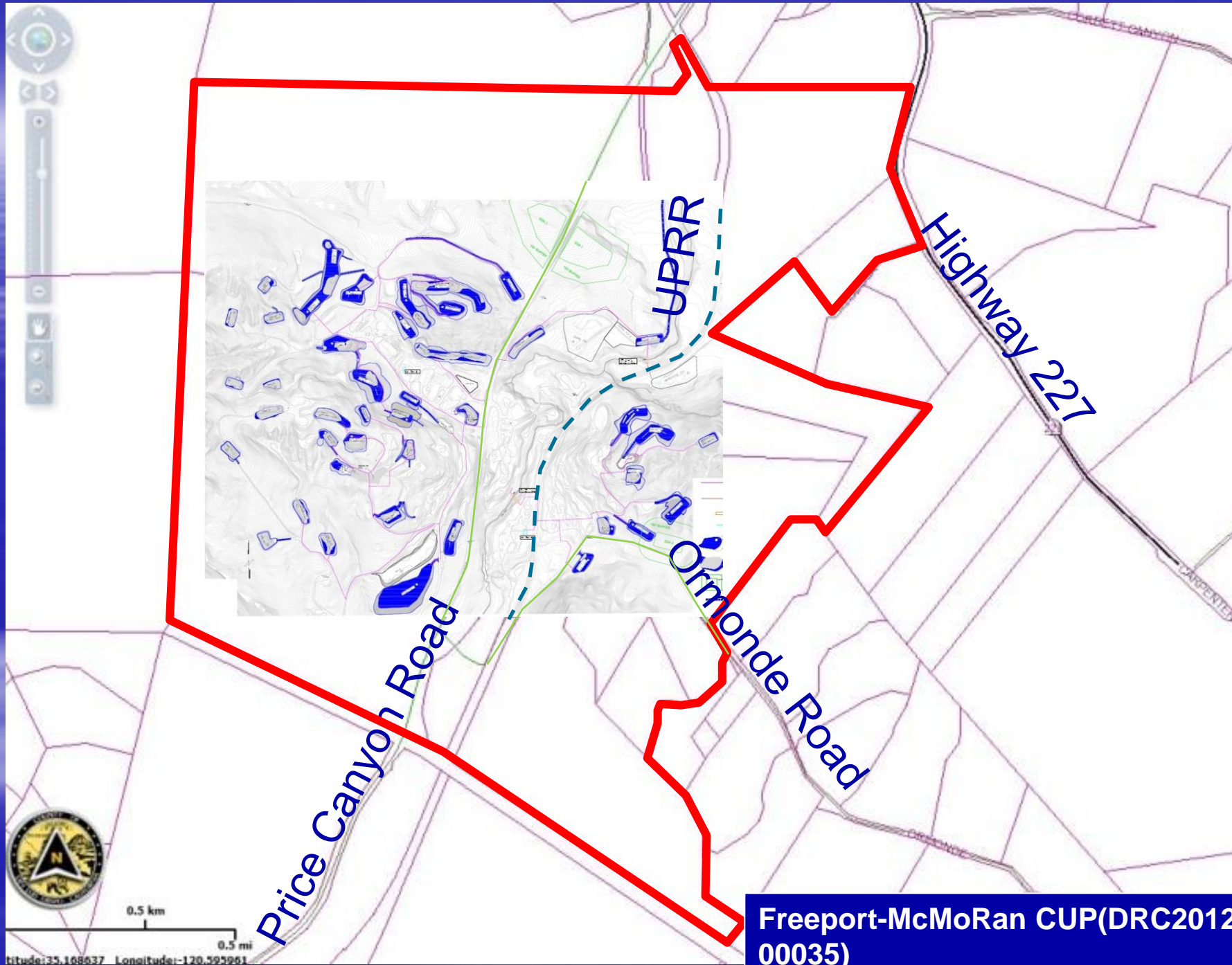
❖ Purpose

- To provide an opportunity for interested parties to comment on scope, content and focus of an EIR, including:
 - Potential environmental impacts
 - Potential mitigation measures
 - Potential project alternatives
- Required by CEQA for projects of areawide importance



Proposed Project – Vicinity Map





Freeport-McMoRan CUP(DRC2012-00035)

Existing Facilities



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❖ Project Description

- Request by Freeport-McMoRan Oil & Gas, formerly PXP, for a Conditional Use Permit to allow for Phase V oil field expansion/ development, and include the following elements:
 - provide for up to 450 new wells (oil, steam injection, re-injection, replacement) over 10 yrs; 100 of these would be ‘replacement’ wells;
 - addition of 8 new well pads;
 - use of other existing pads which includes modification of 33 pads;
 - No Fracking proposed
 - Install 3 steam generators & add’l production steam lines to new wells;
 - expansion of existing electrical power system;
 - replacement of one existing pipe bridge over Pismo Creek;
 - Expansion would increase currently approved production rate of 5,000 barrels to 10,000 barrels/day;

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❖ Project Description (cont.)

- Estimated total disturbance = about 67 acres;
- 15 additional employees (FM O&G personnel and contractors);
- 1 additional production rig, for a total of 4 production/workover rigs;
- Estimated total of 64 tanker trucks per day (at full production);
- Tanker trucks would continue to ship oil during non-peak traffic hours only. Haul route would be the same as existing – Price Canyon Road to Pismo Beach to Highway 101.



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❖ Background

- The previously approved four phases have established the existing oil field in Price Canyon. The current elements include:
 - Operation within DOGGR State-Designated Oil Field in Price Canyon Unit (1,480 acres);
 - About 165 active producing wells on 50 well pads;
 - Thermally-enhanced oil recovery via steam flooding & cyclic steaming
 - Up to 40 active injector wells;
 - Generates about 1,000 barrels of oil a day; approved for 5,000 bopd;
 - Water treatment (Reverse Osmosis) facility will be treating/releasing a portion of the 'produced' water as surface water into Pismo Creek;
 - Approximately 50 of the 90 approved Phase IV oil wells have been installed;
 - No hydraulic fracturing (fracking) or 'acidization' process used;
 - About 10 wells per year are abandoned/closed.

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❖ Background

- **Major Permit History/Environmental documents**
 - 1978 FEIR, Phase I, 54 wells (AG Thermal Project, Teal)
 - 1981 FEIR, Phase II, 40 wells & steam generator (AG Thermal Project, Grace Petroleum Corp.)
 - 1984 FEIR, 8 wells & tank fac. (Am. Pacific Int'l, AG Oil Field)
 - 1994 Suppl. EIR, Phase III, 65 wells & 3 steam generators (Shell Western)
 - 2004 FEIR, Phase IV - 95 wells, 30 inj. wells & 3 steam generators (PXP)
 - 2005 EIR Addendum, water reclamation system (PXP)

Scoping Meeting

❖ Permit/EIR Requirements

- County Permitting
 - Conditional Use Permit
 - EIR required
 - Environmental issues analyzed
 - Alternatives developed
 - Specific Project & Cumulative Impacts
 - If approved, subsequent building permit(s) required
- Other Agency Permits also required (e.g., APCD, DOGGR, RWQCB)



Scoping Meeting

❖ EIR Process

- Overview of EIR Process & Public Input Opportunities
 - Notice of Preparation
 - Retain EIR consultant
 - **Scoping Meeting**
 - Draft EIR
 - **Public Review and Comment on Draft EIR**
 - **Public Information Meeting**
 - Response to Comments
 - Prepare a Final EIR
 - **Planning Commission Hearing**
 - Certify Final EIR
 - Make Decision on Project

(Note: Opportunities for Public Involvement in yellow)



Scoping Meeting

❖ Environmental Issues

- Agricultural Resources
- Aesthetics
- Air Quality/Odors/GHG
- Biological Resources
- Cultural Resources
- Geology and Soils
- Hazards/Hazardous Materials
- Noise
- Public Services/Utilities
- Recreation
- Transportation/Circulation
- Wastewater
- Water



Scoping Meeting

Objective of Today's Scoping Meeting - YOUR COMMENTS!

- Suggested Areas to Comment on:
 - Scope and content of the EIR
 - Local environmental knowledge
 - Potential Alternatives to the project
 - Potential mitigation measures that would avoid or reduce environmental issues
- Comment Form/Sign in/Future Notification
- Webpage – sloplanning.org (see Agenda handout)
- **COMMENTS DUE – March 19, 2014**

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